

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3884-02
Bill No.: HB 1711
Subject: Property, Real and Personal; State Tax Commission; Taxation and Revenue -
General; Taxation and Revenue - Property
Type: Original
Date: February 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	UNKNOWN to (UNKNOWN)	UNKNOWN to (UNKNOWN)	UNKNOWN to (UNKNOWN)
Total Estimated Net Effect on <u>All</u> State Funds*	UNKNOWN to (UNKNOWN)	UNKNOWN to (UNKNOWN)	UNKNOWN to (UNKNOWN)

***Unknown Revenues and Expenditures expected to exceed \$100,000**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	UNKNOWN to UNKNOWN)	UNKNOWN to UNKNOWN)	UNKNOWN to (UNKNOWN)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and the **Missouri State Tax Commission** stated the proposed legislation would have no impact on their agencies.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** stated that the proposed legislation would have a major impact on the cost of the foundation formula. They deferred to the Department of Elementary and Secondary Education for the data and systems to properly calculate the fiscal impact. BAP indicated no fiscal impact to the Office of Administration.

The **Department of Elementary and Secondary Education** was unable to respond to this fiscal note request.

Oversight assumes the costs and/or reallocations could be significant both to General Revenue and the local school districts and will exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
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GENERAL REVENUE

<u>Cost</u> - Transfers to State School Moneys Fund	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
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STATE SCHOOL MONEYS FUND

<u>Income</u> - Transfers from General Revenue Fund	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
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<u>Cost</u> - Distributions to School Districts	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
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ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
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FISCAL IMPACT - Local Government

FY 2003

FY 2004

FY 2005

SCHOOL DISTRICTS

<u>Income</u> - School Districts State Aid	<u>Unknown to</u> <u>(Unknown)</u>	<u>Unknown to</u> <u>(Unknown)</u>	<u>Unknown to</u> <u>(Unknown)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposed legislation adds a definition of "district equalized assessed valuation" to the definitions that are used in interpreting the state school funding formula. The definition averages a district's assessed valuation from the first and second preceding years. The proposal also revises the definition of "guaranteed tax base" to encompass the average of the third and fourth preceding years, instead of basing the amount on only the third preceding year, as in current law.

The proposal contains an emergency clause.

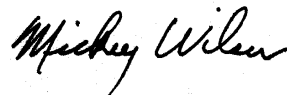
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Division of Budget and Planning
Department of Revenue
Missouri State Tax Commission

Not responding

Department of Elementary and Secondary Education



Mickey Wilson, CPA
Acting Director

February 5, 2002